

**PRE-APPLICATION CONFERENCE
AMERICAN INDIAN & ALASKA
NATIVE MBDA BUSINESS CENTER
JUNE 4, 2013
2:00 P.M.**



Grow your business. Build the Nation.



MINORITY BUSINESS DEVELOPMENT AGENCY BUSINESS CENTER PROGRAM

PRE-APPLICATION CONFERENCE

OVERVIEW



- Overview
- Teleconference Protocol
- Important Dates
- Speakers
- Purpose of Conference

TELECONFERENCE PROTOCOL



- Phone automatically placed on mute
- Questions are prompted at designated times and coordinated through conference operator
- Teleconference focused on MBDA Business Center competition
- Keep questions relevant to topic at hand
- Avoid making statements
- Avoid duplicating questions

IMPORTANT DATES



- CFDA #11.804, MBDA Business Center – American Indian and Alaska Native Program
- Competition
 - Published Date: May 22, 2013
 - Deadline Date: June 22, 2013 11:59 P.M., E.D.T.
- Applications must be received by deadline
- Electronic applications only
- Anticipated Award
 - Start Date: September 1, 2013

SPEAKERS



- Joann J. Hill, Acting Chief, Office of Business Development, MBDA
- Carmen Chairez, Senior Program Analyst, MBDA

PURPOSE OF TELECONFERENCE



- Agency background
- Business case for MBDA Business Center program
- Program objectives
- Clarify requirements contained in the Federal Funding Opportunity (FFO) announcement
 - Program
 - Competition
- Strategy for competition
- Answer questions related to the solicitation

AGENCY BACKGROUND



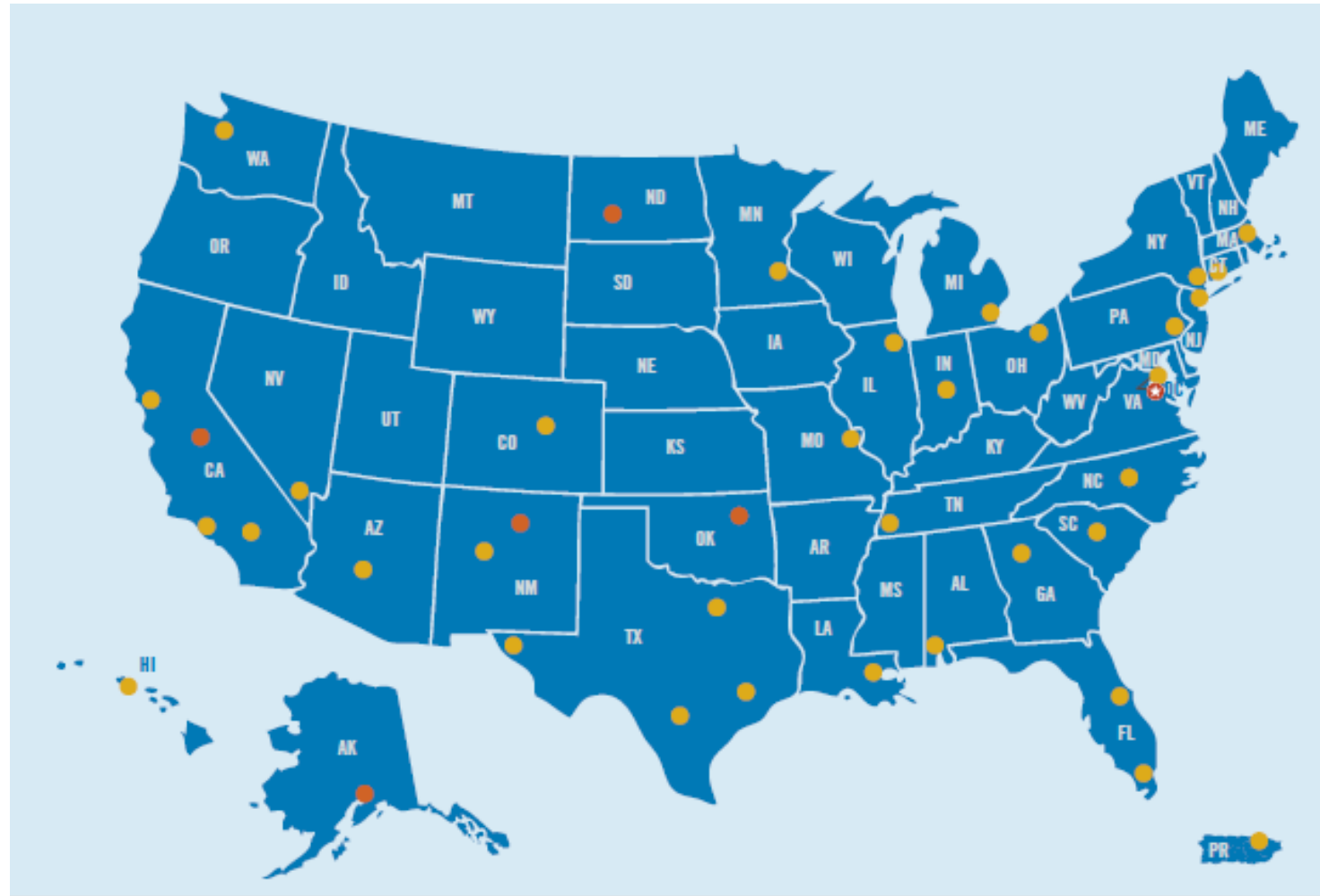
- **Vision**

MBDA's vision is economic prosperity for all American businesses

- **Mission**

To foster the growth and global competitiveness of U.S. businesses that are minority-owned

MBDA SERVICE DELIVERY SYSTEM



OUR CLIENTS



- MBDA serves all minority clients regardless of size
- The core MBDA client is a firm that generates \$1,000,000 (+) in annual revenue or with rapid growth potential
- Minority firms eligible for MBDA services are: African Americans, Alaska Natives, Asian Americans, Hasidic Jewish Americans, Hispanic Americans, Native Americans, Native Hawaiians, and Pacific Islanders

BUSINESS CASE FOR PROGRAM



- The U.S. needs strong minority-owned firms to achieve maximum economic growth
- The nation is failing to reap the benefits of economic parity – the creation of 16 million jobs, generation of \$2.5 trillion in gross receipts and unrealized tax base exceeding \$100 billion per year
- Minority firms have the potential to contribute significantly to the balance of trade
 - Minority businesses are twice as likely to generate sales through exports compared to non-minority firms
- Minority-owned firms create job opportunities for all Americans; MBEs tend to be generally more balanced in hiring minority and non-minority persons
- In 2050, minorities will represent 54% of total U.S. population
- MBDA is a catalyst to build minority-owned firms of size, scale and capacity

BUSINESS CASE FOR PROGRAM



Summary of Business Statistics by Group – 2007

Group	Percentage of Classifiable Firms	Percentage of Total Gross Receipts	Percentage of All Paid Employees
African American	7 % (1,921,907)	1% (\$137.4 billion)	2% (920,128)
American Indian & Alaska Native	0.9 % (237,386)	0.3% (\$34.5 billion)	0.3% (191,472)
Asian	6% (1,552,505)	5% (\$513.9 billion)	5% (1,935,688)
Hispanic	9% (2,260,309)	3% (\$345.2 billion)	3% (1,932,243)
Native Hawaiian & Other Pacific Islander	0.1% (38,881)	0.1% (\$7 billion)	0.1% (43,187)
All Minorities	22% (5,762,940)	9% (\$1 trillion)	10% (5,916,651)
Classifiable Firms (U.S. firms w/o publicly held)	100% (26,306,316)	100% (\$11.0 trillion)	100% (57,356,178)

Source: MBDA's analysis of U.S. Census Bureau's 2007 Survey of Business Owners, data released in July 2010 and September 2010. Classifiable Firms are all U.S. firms less publicly held, foreign-owned, non-profit and other firms whose ownership cannot be classified in terms of race, ethnicity, or gender.

BUSINESS CASE FOR PROGRAM



Larger AIAN Firms vs. Smaller AIAN Firms

While smaller in number, American Indian and Alaska Native firms with receipts of \$1 million or more generate a much larger percentage of revenues and paid employment than firms with receipts under \$1 million:



American Indian & Alaska Native-Owned Business Growth and Global Reach

1401 Constitution Avenue, NW
Washington, DC 20230
(888) 324-1551
www.mbda.gov

American Indian & Alaska Native-Owned Firms Generate \$34.4 Billion in Economic Output to the U.S. Economy

Group	All Firms	All Firms Gross Receipts	Avg. Gross Receipts	Firms with Employees	Receipts of Firms with Employees	Avg. Employer Receipts	Paid Employees	Population Buying Power (2009)**
American Indian & Alaska Native	236,691	\$34.4 billion	\$145,142	23,662	\$27.5 billion	\$1,161,951	185,037	\$64.7 billion
All Minority	5,759,209	\$1.0 trillion	\$177,941	766,533	\$860.5 billion	\$1,122,577	5,816,114	\$2.46 trillion
Non-Minority	20,100,926	\$9.8 trillion	\$488,345	4,337,535	\$9.1 trillion	\$2,089,363	50,113,990	\$8.25 trillion
Classifiable Firms	26,294,860	\$10.9 trillion	\$416,411	5,189,968	\$10.0 trillion	\$1,929,712	56,626,555	\$10.7 trillion (all U.S.)
Total Firms in U.S.	27,092,908	\$30.0 trillion	\$1,108,464	5,735,562	\$29.1 trillion	\$5,066,431	117,310,118	Non-applicable

- In 2007, there were about 237,000 American Indian & Alaska Native firms, of which 10 percent (23,662) were firms with employees.
- American Indian & Alaska Native firms with employees had average receipts of \$1.2 million and average employment of 8 workers per firm with employees.
- The American Indian population had an estimated buying power of \$64.7 billion in 2009, larger than the 2009 purchasing power of countries such as Kenya (\$63.7 billion), Burma (\$57.5 billion), Slovenia (\$55.8 billion), and Costa Rica (\$48.5 billion). ***

BUSINESS CASE FOR PROGRAM



MBDA's performance criteria is based on:

- New Jobs Created
- Jobs Retained
- Dollar Value of Contracts Awarded
- Dollar Value of Financing Transactions Awarded
- Export Transactions

FY 2011, MBDA created:

- 5,887 New Jobs
- \$3.9 Billion in Contracts and Financing

Agency Funding	Total Contracts & Financial Opportunities Awarded to date	New Jobs Created to date	Return on Agency Investment (ROAI) to date
\$30.3 M	\$3.9 B	5,887	130x
\$31.5 M	\$3.9 B	6,397	125x
\$29.8 M	\$3.0 B	4,134	101x
\$28.5 M	\$2.1 B	5,316	74x
\$29.9 M	\$1.8 B	3,506	59x
\$29.8 M	\$1.6 B	4,254	54x
\$29.8 M	\$1.6 B	2,270	54x

PROGRAM OBJECTIVES



- The primary objective of the MBDA Business Centers is to provide strategic business consulting services that will result in increased financing, public and private sector contract opportunities and related awards to Native American, Alaska Native and other minority businesses
- Each of the MBDA Business Centers under this competition is strategically located in areas with significant levels of Native American population and Native American owned firms
- MBDA Business Centers are not limited by geographic region and may serve minority businesses in all fifty states and Puerto Rico
- The services offered will create and retain jobs at minority-owned firms
- MBDA Business Centers must collaborate with other MBDA funded centers, staff and strategic partners to serve minority-owned businesses and achieve program goals

PROGRAM OBJECTIVES



- Centers under this competition are designed to target American Indian and Alaska Native business enterprises, although they serve all eligible MBEs
- Expand the growth and global competitiveness of American Indian, Alaska Native, and other MBE firms by providing contract sourcing, financial brokering and business development services.
- The program focuses on securing large public/private contracts and financing transactions, and facilitating entry to global markets through greater and stronger strategic partnerships
- Focus on deal making

TARGET CLIENTS



- Special emphasis will be placed on American Indian, Alaska Native, and other MBE firms with one or more of the following characteristics:
 - Revenues over \$1million
 - Participant in high-growth industries
 - Export capacity or potential
 - Tribally owned
- Centers will serve MBEs of all sizes; start-ups and smaller firms will be served electronically and/or by strategic partner via referral

MAJOR PROGRAMS & SERVICES



- Develop pool (pipeline) of contracting and financing opportunities
- Direct matching of opportunities with qualified/vetted MBEs and facilitation of negotiations
- Assist MBEs in accessing global market opportunities; driven by MBDA
- Identify and secure alternative sources of capital for MBEs
- Promote the advantages of achieving size and scale, and educate on benefits of strategic alternatives (i.e. mergers, acquisitions, joint ventures and/or divestitures)
- Provide service referrals to MBEs of all sizes
- Client assessment
- Strategic business consulting
- Leveraging of strategic partners

STRATEGIC PARTNERS



- Establish relationships that directly lead to transactions, jobs, or assisting our target MBEs to achieve size and scale, and/or globalization with a minimum of five entities
- Focus on direct programmatic impact of each partnership
- Partnerships should assist the center with achieving performance goals, including, but not limited to serving as a referral source to assist start-up and early stage MBEs
- Strategic Partners should provide a service and/or opportunity to MBEs served by the center
- Synchronize outreach efforts
- Foster collaboration

PRIMARY PERFORMANCE ELEMENTS



- Number of Jobs Created
- Numbers of Jobs Retained
- Number and Dollar Value of Awarded Contracts/Procurements
- Number and Dollar Value of Awarded Financial Transactions
- Number of Export Transactions Facilitated (i.e. mergers and acquisitions, joint ventures, and teaming agreement)
- Number of American Indian Clients Served
- Number of MBE Referrals

BRANDING



- MBDA Business Center logo required
- Center to market itself to MBEs as MBDA Partner Centers
- Center will not be required to maintain an individual website; MBDA will host center web page on agency portal
- Trade Mark TM cited
- Publication guidance for signage, stationary and publications
- Communication guidance

CLARIFY FFO REQUIREMENTS



- **Eligible Applicants**

- For-profit entities (including but not limited to sole-proprietorships, partnerships, limited liability companies and corporations)
- Non-profit organizations
- State and local government entities
- American Indian Tribes and tribal entities
- Educational institutions

- **General Submission Requirements**

- All applications must be submitted electronically through www.Grants.gov
- Application must be submitted by an Authorized Organizational Representative (AOR)
- Entities may apply to operate more than one MBDA Business Center; however, individual applications for each location are required
- Necessary that applicants review and adhere to the full FFO

CLARIFY FFO REQUIREMENTS



Application Requirements*

A full application will address all four (4) years of the project period and include the following major components:

- Cover Page
- Table of Contents
- Program Narrative
- Required Program Narrative Attachments
- Budget Narrative
- Required Budget Narrative Attachments
- All Required Standard and Commerce Department Forms

All pages of the proposal must be consecutively numbered

**Note, failure to adhere will result in deduction of points*

CLARIFY FFO REQUIREMENTS



Program Narrative – Applicant Capability (30 points)

- Provide information on applicant organization's background and knowledge of the community
- Address the extent to which the applicant organization's mission aligns with the mission of MBDA
- Describe applicant experience providing services similar to those under the program work requirements related to access to markets, access to capital and business consulting
- Position descriptions, qualification requirements and salary ranges must be submitted for all staff
- Project Director may be identified at proposal stage or post-award
 - This individual must be highly qualified
 - If specific individual proposed, resume must also be submitted in addition to position description, qualification requirements and salary range
- Provide all required supporting attachments

CLARIFY FFO REQUIREMENTS



Program Narrative – Resources (20 points)

- Present plan for establishing and maintaining a network of strategic partners (minimum of five)
- Indicate extent to which partners will support the MBDA Business Center in achieving its goals
- Address applicant's strategy for recruiting and leveraging an Advisory Committee in attaining the Center's performance goals
- Describe other resources at hand to foster success of the center
- Provide Letters of Support and Commitment
 - Strategic Partners
 - Other resources listed
- Address rationale for the proposed placement of the MBDA Business Center office
- Present applicant plan for adhering to MBDA computer requirements
- Provide all required supporting attachments

CLARIFY FFO REQUIREMENTS



Program Narrative – Techniques and Methodologies (30 points)

- Describe how each of the work requirements shall be met for each of the four (4) program years
- Justify any deviations, be they higher or lower, from the estimated performance goals provided in Appendix B of the FFO
- Provide a quarterly breakdown of performance goals for each of the four years
- Address how the applicant proposes to establish a system that correspond to, or may compliment, MBDA's tracking and validation of contracts
- Present the applicant's plan for how the Center will be established and operating within 60 days; provide strategies and timelines/schedule of implementation milestones
- Describe how the applicant shall integrate work requirements with performance measures & existing infrastructure
- Provide all required supporting attachments

CLARIFY FFO REQUIREMENTS



Proposed Budget and Budget Narrative (20 points)

- Detailed line item budget and budget narrative required for each of the four (4) program years
- Each item of cost must be accompanied by a detailed description and cost breakdown
- All costs must be allowable, allocable and reasonable
- Budget must include costs for all required training-related travel (see Appendix E of FFO)
- Budget will be compared to the program narrative to determine if realistic from a programmatic perspective and whether costs are necessary
- All calculations should be mathematically correct and precise (i.e. rounding to the nearest dollar)
- The figures on the line item budget, budget narrative, Standard Form (SF) 424 and SF 424A must reconcile

CLARIFY FFO REQUIREMENTS



Proposed Budget and Budget Narrative (cont'd)

- The generation of program income is required
- Program income is the gross income earned by the grantee that is generated directly by a grant-supported activity or earned as a result of the grant
- Program income includes, but is not limited to, income from fees charged to clients for services performed
- Applicants have flexibility in choosing the mechanism for generating program income
- Discuss the methods for charging and collecting fees, including policy for waiver of fees
- No minimum cost share required; cost share may be comprised of any combination of the following
 - Program Income (required)
 - Cash Applicant Contributions
 - Non-Cash Applicant Contributions
 - Third-party Contributions (In-kind or Cash)

CLARIFY FFO REQUIREMENTS



Proposed Budget and Budget Narrative (cont'd)

- A detailed and signed letter from any/all 3rd party contributors must be scanned and submitted with the proposal
- Indirect costs are limited to the lesser of:
 - The indirect cost rate negotiated and approved by the applicant's cognizant federal agency
 - Thirty percent (30%) of the total direct costs for the project
- If indirect costs are being proposed by the applicant, and the applicant has an approved negotiated indirect cost rate agreement, a copy of the agreement must be included with the proposal package

CLARIFY FFO REQUIREMENTS



Bonus Point for Service Innovation (10 points optional)

- This component is optional
- Any service(s) proposed under "Service Innovation" is in addition to the core MBDA Business Center services
- The aspects of the innovative addition(s) to the work requirements must be fully described by the applicant, including processes and anticipated results
- Examples provided in Appendix F of FFO

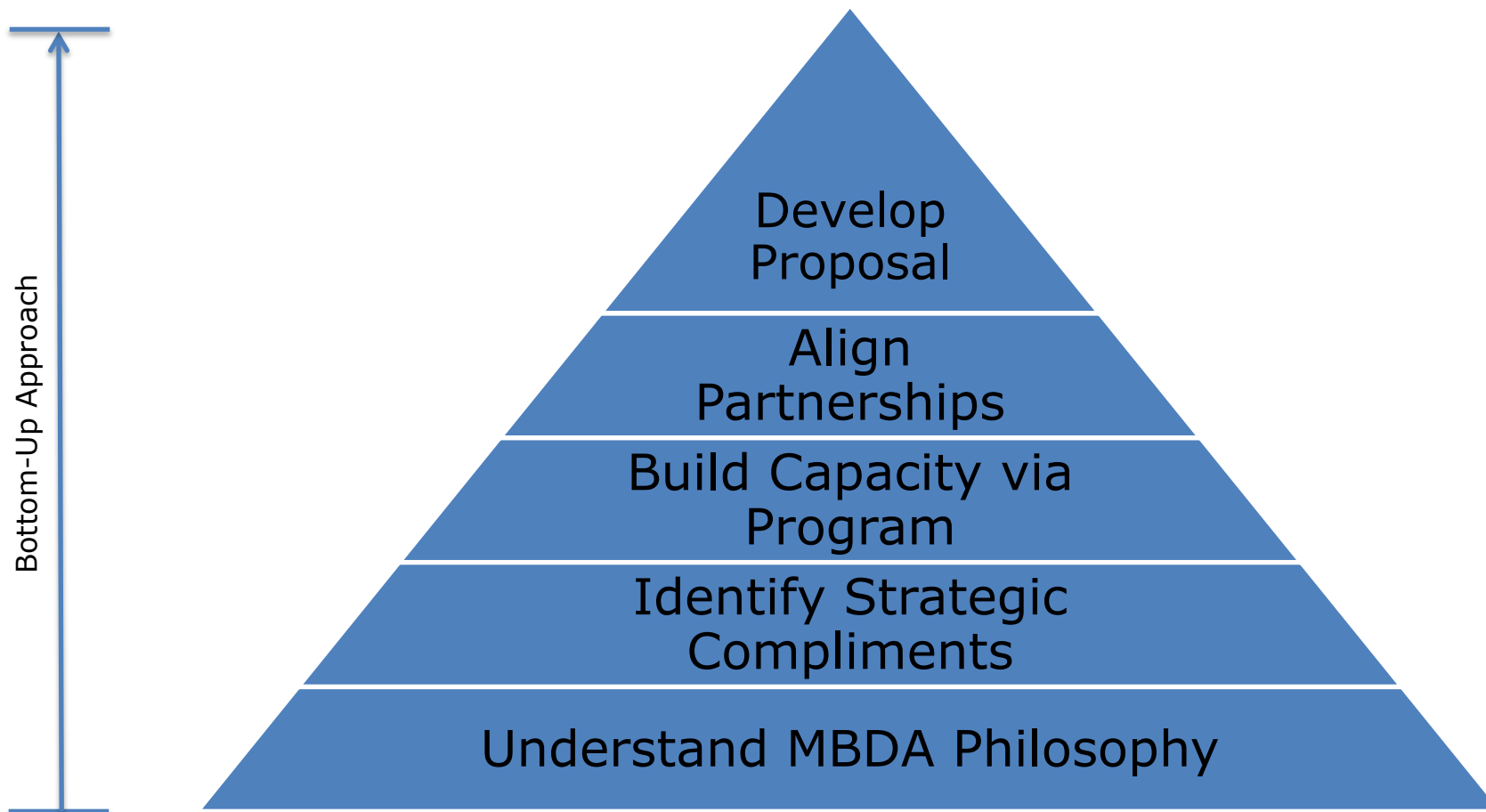
CLARIFY FFO REQUIREMENTS



Forms

- The application must contain the following Standard Forms (SF):
 - SF 424, Application for Federal Assistance (one form to cover all funding periods)
 - SF 424A, Budget Information Non-Construction Programs (one form to cover all funding periods)
 - SF 424B, Assurances Non-Construction Programs (one form to cover all funding periods)
 - SF LLL, Disclosure of Lobbying Activities (one form to cover all funding periods)
- The application must contain the following Department of Commerce (CD) form:
 - CD 511, Certification Regarding Lobbying (one form to cover all funding periods)

STRATEGY FOR COMPETITION



STRATEGY FOR COMPETITION



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MBDA Announces Grant Competition to Create Jobs and Grow Businesses

Agency makes \$6.3 million available to launch six new MBDA Business Centers

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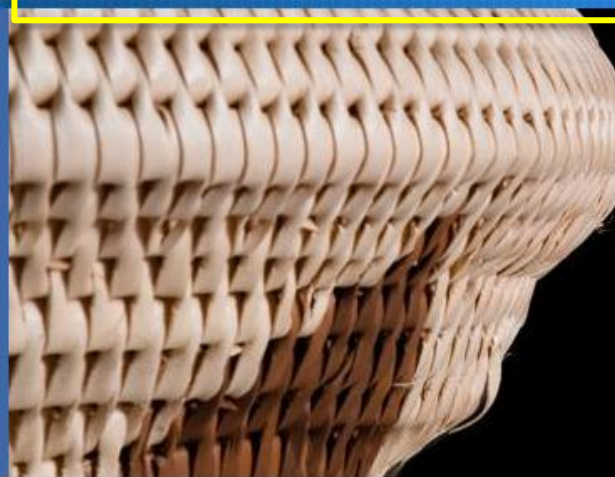
Search

■ Apply Now to operate a MBDA Business Center. ■ Learn more about the new grant competitions.

MBDA Announces Grant to Create Jobs & Grow Businesses in one Location with Large American Indian & Alaskan Native Population

MBDA makes \$1.02 million available to launch MBDA Business Center in one location with Large American Indian and Alaska Native Populations

READ MORE >>



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**THANK YOU FOR YOUR PARTICIPATION &
GOOD LUCK!**



Please adhere to operator
instructions to ask questions

Thank you